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Authority **NND 969000**
By **CB** Date **04/09/02**~~SECRET~~

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Department of State

TELEGRAM

DEF 12-5 IRAN

097664

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FOR AMBASSADOR FROM SISCO, IRAN

REF: Tehran 2623-DEF 12-5 IRAN

1. Very much appreciate your concern over the consequences of indefinite delay in FMS legislation which I share. We have been taking virtually hourly readings on FMS prospects and cannot truthfully predict yet what the outcome may be.

2. In ~~light~~ line with your suggestion we have taken an earnest and in-depth examination of the possibilities of acquiring credit from some other source to provide loan funds hitherto expected to be available under FMS. Specifically we have focused on Eximbank as a possible source of these funds. The Bank has been exceedingly cooperative in helping us to consider what might best be done. I think that, other things being equal, we could have perhaps reached agreement that the Bank would provide the funds we need for Iran. We also had to consider, however, the impact this move would have on FMS

097664

DRAFTED BY:

NEA/IRN:JCMiklos:psw

DRAFTING DATE

6/19/70

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23014

APPROVED BY:

NEA - Joseph J. Sisco

CLEARANCES:

DOD/ISA/Mr. Alne

NEA - Mr. Davies

DOD/ISA - Mr. Peyers

DOD/ISA - Mr. Pranger

PM - Mr. Chapman (informed)

H - Mr. Schnee (informed)

DOD/ISA - Mr. Pranger

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PA/HO Department of State
E.O. 12958, as amended
June 21, 2006

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prospects. The fact that Iran is presently included in the bill is a strong argument in favor of its passage and one that we have used very recently in urging Congressional action. After considering all aspects we had to conclude that Iran's withdrawal at this juncture would jeopardize further prospects which are already by no means reassuring. We badly need FMS for a number of other countries, some of whom are in our own NEA area. These countries for various reasons have no chance of obtaining alternative financing. I concluded therefore that the risks of weakening the prospects of FMS legislation were too great from an overall point of view and that we would have to continue to bank on last-minute favorable Congressional ~~action~~ action on FMS

3. For your ~~own~~ own very confidential information I want you to know that should FMS legislation fail to pass for this fiscal year we will make very special efforts to push for a supplemental which would provide for ^{funds in} additions to those presently ~~contemplated~~ contemplated for FY 1971. ~~We will also re-examine~~

DRAFTED BY:	DRAFTING DATE	TEL. EXT.	APPROVED BY:
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CLEARANCES:

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4. We shall take advantage of Mehdi Samii's presence
in Washington in the coming days to explain this matter
fully.

Gp 3 End

ROGERS

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